

***North Carolina Wireless 911 Board***  
**MINUTES**  
**May 19, 2006**

**Guest**

Matt Hinkle, Intrado  
Steve Newton, Orange County EM  
Carey Spence, Intrado  
Rebecca Troutman, NCACC

**Staff Absent**

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After a quorum assembled, Vice-Chair Carter called the meeting to order, advising that Chairman Stoneman was not available today and had asked her to chair the meeting. Noting that terms of service were concluding for David Kever, Frank Thomason, Leigh Horner, Belinda Gurkins, Pam Tope, and herself, she observed that the next meeting might see a big change in Board membership.

**1**

Vice-Chair Carter read the Conflict Of Interest Statement and asked if anyone had any conflicts. None were cited.

### **Approval of minutes**

Vice-Chair Carter asked for comments or corrections to the previous meeting minutes, and hearing none, asked for a motion to accept them as written. Frank Thomason so moved, Joe Durham seconded, and the motion carried.

### **Approval of cost recovery plan for North State Communications**

Richard Taylor observed that North State Communications is a small carrier in the High Point area. They originally operated under Cingular's umbrella for cost recovery, but since the recent Cingular merger with AT&T they have been asked to seek their own cost recovery. While the data portion of their operation is still being handled by Cingular, the location technology (LMU) will become their responsibility, at their expense, hence this request. Richard stated that the cost recovery committee met yesterday, reviewed North State's cost recovery plan (copies in the agenda packet with confidential information redacted), and has recommended approval. Co-Chair Carter asked who is on that committee, and Richard replied that it includes the CFO for ITS represented by Valerie Carter, Leslie Tripp, and himself. Joe Durham moved for approval, Frank Thomason seconded, and the motion carried.

### **Discussion on Federal Government Exemption from Wireless 911 surcharge**

Richard Bradford stated that this issue arose because a federal installation questioned a carrier about whether that installation was required to pay the fee, indicating that it wanted reimbursement of all prior fee payments. The carrier felt the fee was warranted, and Richard says there are valid arguments for both sides. Richard added that there is a long history of this type of question, with one of the first cases going all the way to the Supreme Court in 1944. It is the case cited most often in cases of tax vs. fee and whether or not federal installations have to pay. In that case Justice Jackson of the court said, "Looking backward, it is easy to see that the line between taxable and the immune has been drawn by an unsteady hand." Richard offered that he doesn't think things have changed.

Richard said the issue resolves to whether the fee constitutes a direct tax on the federal government or something that is for the purpose of reimbursing the carrier. He draws that distinction because in cases regarding telecommunications wherein the federal government has paid the fee, that fee has been part of a tariff. In this instance, no tariff is involved. But the purpose of the money is to reimburse both carriers and PSAPs to effect a federal requirement (94-102). Richard said that unless or until the Comptroller General makes a decision that federal installations do not have to pay the fee, or the FCC takes some action to make it clear that they are required to pay the fee, we are left in this limbo land.

Richard suggests that the federal installation should pay the fee, but adds that there is a substantial argument against that. He believes that the Comptroller General, if given the

question, would decide against payment, but Richard can't reach a legal conclusion either way that he can fully support. So he thinks this is something that the federal government is going to have to decide at some point in time, as they have in the past.

The procedural aspects of that are that the federal installation in this instance could request a ruling from the Comptroller General, and then show that to the carrier or the Board, and the Board could then make a decision. Richard believes that until that happens, no decision should be made. The status quo should continue, and those that are paying should continue to pay. If they think they shouldn't, they can withhold payment, and the Board can decide under its collection authority (statutory authority to institute collection actions) whether or not to pursue a collection action.

Richard added that this question came up several years ago when Karen Long represented the Board. In speaking with her she has no recollection of it, but judging from those of her notes he was able to find, he believes she came to the same conclusion as he has, but does not know if she ever reported it to the Board or if any action was ever taken.

Vice-Chair Carter asked if federal installations are paying now, and Richard replied that to the best of his knowledge some are, but he doesn't know about all. Vice-Chair Carter asked if we are talking about military installations or hospitals, and Richard replied that the only one he is aware of is a hospital.

Belinda Gurkins asked if the challenge is coming because they consider the fee to be a tax. Richard said that they are considering it to be what's referred to in case law as a "vendee tax". Under the supremacy clause of the US Constitution, the federal government is immune from such taxes. There is a case that involved telecommunications and trying to collect fees for services provided, probably in the old Rayburn Building in DC, and the feds said, "We don't have to pay," and the courts agreed. But in that opinion, the court said that if those fees were part of a tariff, i.e. if, in essence, they were for the purpose of reimbursing the costs of operations of a carrier, then the federal government would pay.

Richard Taylor asked what would happen in a hypothetical situation where a federal agency created a Primary PSAP and wanted to collect those funds. Richard Bradford replied that there are analogous cases for municipal services that relate to that. Typically, the federal government doesn't do that. It would contract out rather than create the PSAP under the law so that it does not subject itself to local jurisdictions, which, of course, it does not want to do.

### **Approval of 2006-2007 budget**

Leslie Tripp presented the proposed 2006-2007 budget, noting that revenues had been annualized based upon the last seven months, i.e. since the reduced surcharge and new carrier/PSAP percentages went into effect. She increased that amount by 2.5%, which represents the typical annual growth we have experienced in the past. She pointed out that a few minor changes had been made to administrative costs, but they were basically the same as last year. She also noted that the one big change was the \$750,000.00 budgeted to pay for developing the Comprehensive Statewide Wireless

Enhanced 911 Plan. Joe Durham asked for a summary of that plan and how the money would be expended, and Richard Taylor reviewed the statutory obligation to create the Comprehensive Statewide Plan, the issuance of the RFI, expectations for an RFP, etc., for him. Vice-Chair Carter asked if the budget had to be further approved as part of the ITS budget by the General Assembly, and Leslie replied that no, we are stand-alone.

Joe Durham questioned the format in which the budget was presented. Questions from several other Board members ensued as well, including the use of retained earnings as a balancing agent to reconcile expenditure and revenue totals. Joe was also concerned that carrying fund balances might indicate the need to reduce the surcharge amount. Richard Taylor pointed out that we are just seven months into the new surcharge, which was reduced through last year's legislation, and we really need to see what potential expenses will arise, such as doing the Statewide Plan, adding another carrier for cost recovery, or adding additional Primary PSAPs, before categorically stating that we should reduce it further. Should that be deemed necessary, however, Richard Bradford advised that the Board has the authority to make that reduction without necessitating legislative changes to the statute. Richard Taylor added that he looks forward to completion of the Statewide Plan to serve as a roadmap to help us determine what future needs will be. Vice-Chair Carter noted that the Board, as steward of the fund, should be clear in stating that it will closely monitor growth of the fund balance.

After much discussion and several suggestions, Leslie said she would re-format the information to align with those suggestions. Vice-Chair Carter observed that once the formatting changes were in place, there appeared to be no other problems with the proposed budget, and asked for a motion to approve.

David Keever moved to approve the budget. Frank Thomason seconded, and the motion carried unanimously.

### **Update on 911 legislative activity**

Richard Taylor reported that the Joint Legislative Utility Review Committee examining 911 in North Carolina did meet a couple of weeks ago. He spoke at that meeting, as well as a representative from the telephone association, two PSAP representatives, and Jim Blackburn of NCACC. No decisions were made. It was more of an information gathering session. Richard is not aware of any further scheduled meetings at this time. He then turned the discussion over to Joe Durham, who wanted to introduce some principles for proposed 911 legislation drafted by the NCACC.

Joe began by saying that the principles he had provided for this meeting's agenda book had changed, and distributed updated copies to Board members (now available in the updated agenda book online as Tab 7b). He further noted that Rebecca Troutman, from the NCACC, was present and would be participating in the discussion of these principles. He underscored that these principles were being presented for discussion and feedback, but that they could be considered as possible amendments to future legislation.

Joe summarized the first principle addressing surcharge caps, and then invited Rebecca Troutman to explain the reasoning behind the second one. Rebecca began by

summarizing the Joint Legislative Utility Review Committee meeting Richard had referenced above from the NCACC perspective. She advised that after that meeting, "...we were instructed by committee staff to meet with the telcos and 'hammer out' some principles upon which we could agree." She mentioned that, as she expected Board members already know, treatment of the E911 wireline fund has been a big issue with our counties and cities. They have looked for some flexibility in the use of those funds, particularly when it comes to training. She said, "What you see here are many of the proposals that the telcos and the County Commissioners Association have come to agreement on. As y'all know, there's legislation definitely going to be entered into this session to kind of finalize where the land line fees are going in terms of flexibility of use."

Rebecca observed that Joe wanted to bring these principles to the Board's attention, acknowledging that while the Board's purview is wireless, there was a lot of discussion at the last meeting about wireline. Some of these principles do impact wireless as well. Regarding principle #2, she cited that when counties and municipalities adopt a fee, the proceeds from the fee typically remain within the community to support the service within the community. For instance, money collected from Wake County residents would not be sent to Jones county. She acknowledged that counties with high wireline surcharges might need help if principle #1 were adopted, and that some sort of "hold harmless" fund needs to be created to assist them. As yet, no such fund exists, nor is one in the works. She added that NCACC is hopeful that it can begin to "capture the VoIP market", working with Fiscal Research to find a way to do that.

Rebecca asserted that North Carolina, as a "Good Government State," has local government audit procedures already in place that the NCACC believes are adequate for monitoring use of local wireline E911 funds. The NCACC endorses a single audit submitted to the Local Government Commission to ensure proper use of both wireline and wireless E911 funds, which would obviously impact the Wireless Board. Joe Durham added that every city and county in the State is governed by the LGC, and are required to spend money in accordance with law.

Vice-Chair Carter said she understood that these principles were being brought to this Board for information purposes only, and asked Richard Taylor and Richard Bradford if they saw any need to state a Board position on any of them. They observed that principles #4, #5, and #6 will impact this Board if implemented. Richard Taylor added that regarding #8, our local audit is a huge piece of work, but noted that even so, in the past it hasn't worked. Joe asked what he meant by "hasn't worked", and Richard cited as an example Memo 952, issued by the State Treasurer's Office in 2001, that went to every CPA firm that does municipal audits in the State and every Finance Officer in the State, and is still in effect today. That memo states that 911 funds cannot be used to buy radio systems, yet today he can name several counties that have spent their money on radio systems and continue to spend it on radio systems. He has learned from talking to representatives of the State Treasurer's Office and CPA firms that the E911 part of any local budget is so small that most of the time auditors read right past it. If they see something that says 911, they accept it and just keep on going. His question is how such misuse of funds, which is obviously not closely scrutinized within current municipal audits, will impact the Wireless Board.

Rebecca Troutman said she appreciated that comment and said that one thing they would be doing with the Local Government Commission is strengthen the auditing around that particular area to make sure that the CPAs received some training or more notification. They would have the LGC send more technical advice to counties and cities about that. She acknowledged that they know that needs to be “bumped up.”

Joe Durham defended the concept of a single audit, and said that he felt there could be a strengthening of the knowledge of the legislation both at the local level as well as with the audit. He said, “The principle, again, is that we want to ensure that funds are spent in the way they’re supposed to be spent consistent with the legislation, but at the same time, there is a single audit, and we’re all governed by that single audit.”

Vice-Chair Carter asked if there were any further comments regarding items #4 - #7. Joe Durham asked if there were any other item that causes concern. David Keever said that item #4, which we turned down six months ago, is coming back here without any restriction. Rebecca Troutman replied that specialized training is frequently not available locally, and local governments don’t want to be restricted. There has been talk about restricting training to the Community College System, and she said that if the training needed wasn’t available there, no one could make them offer it. She stated, “That’s one thing the telcos agreed to.” David observed the training might be in Los Angeles, and Joe Durham replied that such decisions should be made by the local government, stressing that no one else should have that authority.

Chief Cherry said there are a lot of managers that wouldn’t pay any attention to it, that he thinks it is too wide open. Joe repeated, citing hypothetical examples, that it should be a local government decision. Chief Cherry acknowledged that sometimes traveling to other locations for training is justifiable, but that you have to draw a line somewhere.

Richard Bradford observed that the more these funds are used for these purposes, the more like a tax it (911 Surcharge) becomes. He said he wouldn’t speak to the wireline side, but on the wireless side, the more you do that, the more un-like a fee and un-like the FCC order its use becomes. The Board will probably see increased apprehension from some of the wireless telco providers, and while they may not object to that use, they’ll say “that’s a tax”, and if you want to have a tax and put it under general revenue that’s fine. But, as to the FCC order, the intent was to introduce enhanced wireless 911, to achieve some sort of parity between wireless 911 and wireline 911 as to the location and identification of the caller. Once you’ve achieved that, the fee may go away, or it may continue, or it may be instituted as a tax. But remember that the purpose of the FCC order was really fairly limited.

Conversation ensued about how training is, and has been, allowed when new equipment is purchased. Richard Taylor said he thought past telephone company concerns about training revolved around augmenting or enhancing E911 employee skill sets that are not specifically related to operating 911 equipment or software.

Vice-Chair Carter once again asked Joe Durham if he was, indeed, presenting this for information only. Joe replied “yes,” for information, but also for any feedback. He noted there will be continued discussions on this topic, and he was not recommending any action on the part of the Board. Vice-Chair Carter then asked Board members if there

were any other concerns they wanted to voice, and David Keever replied that he is very concerned about the audit. He observed that “We’re here representing funds that are being collected by private businesses, and we’re actually turning the audit over to—it’s like a [fox] in the henhouse.” Joe Durham replied that perhaps some education is needed as to what comprises an audit, but those monies become public funds when they’re turned over. He reiterated that the LGC performs an audit every year to govern the expenditure of local dollars. David pointed out that “you’re doing that with what? Tax money.” Joe acknowledged that these are fees, but that the audit “includes all revenue—it includes money that’s given to me by the East Wake Volunteer Fire Department. All those funds are audited, and that’s done on the annual basis and again, must be strictly adhered to by regulations as provided by the LGC.” David replied that from the past history of non-compliance, he cannot endorse that.

Richard Bradford asked David if he was concerned about private company records being subject to public audit, and David replied “no,” that his concern was just that funds are being used for things that they were not intended to be used for. He said “We, of course, are to try to keep the cost down as low as possible to the public. And I can just see this thing starting to escalate.”

Vice-Chair Carter summarized the concerns that had been raised as concerns about training and the single audit. She noted that these concerns cannot be represented as concerns by the Board as a whole, but on the part of individual members. Richard Taylor observed that everybody just got this list fifteen minutes ago, and that representatives have not been able to consult with the entities they represent, so it’s not fair to make any kind of a statement about what the Board feels. He felt that saying “These are the comments we heard at the Board meeting” would be a fair statement, but nothing more.

Vice-Chair Carter thanked Rebecca and Joe for keeping the Board up to date on this topic, and Joe and Rebecca thanked the Board for its time.

### **Results of Comprehensive Statewide Wireless Enhanced 911 Plan RFI**

Before Richard Taylor reviewed the RFI responses, Belinda Gurkins recused herself, as her company submitted an RFI response, and she had not been present at the beginning of the meeting to do so at the reading of the conflict of interest statement.

Richard referred Board members to the high level summary in the agenda packet, and reminded members that all the RFIs were available to them on the secure Board Member page of the website. He noted that despite the fact that some of the submissions were in excess of 180 pages long, he and Ron Adams had completely read each of them and compared notes. The high level summary collates commonalities among the responses.

Richard briefly explained each of the points contained in the high level summary, and then advised that the staff recommendation is to look at this information and create an RFP. To that end, he requested that a committee be formed from the Board to sit down with staff to create and develop the RFP.

At that time Vice-Chair Carter observed that due to the impending end of Board service terms for the members she mentioned during her introduction, or due to a member requiring recusal because of that member's company participating in the RFI/RFP process, it appears to her that only Joe Durham, Trey Greene, Betty Dobson, and Robert Cherry could possibly serve on that committee. She asked Richard Taylor if his expectation was to convene the committee and have a report ready by the July meeting, and Richard asserted that was his hope. Richard said he thought a committee of three members would suffice, but that if all four of the members mentioned wanted to participate, he certainly would not object. Then if one person had to miss a meeting, the impact wouldn't be as great. All four members named above agreed to serve.

### **Update on TracFone litigation**

Vice-Chair Carter noted that this topic might require consideration in closed session. Richard Bradford said that much of it is certainly public information, and that he would be happy to address it in public session. To the extent that Board members have questions about liability, particular theories or arguments in defense of this matter, strategy, and so forth, however, he would not be able to answer them in open session.

He continued public discussion by referring to the pre-hearing statement in the agenda packet that he prepared and filed on behalf of the Board. He reviewed TracFone's request for a refund and the Board's subsequent decision to deny that request at the January 2006 meeting. TracFone's response to that January decision was to file a petition at the Office of Administrative Hearings seeking review by the Administrative Law Judge. TracFone has retained Eddie Speas as local counsel, formerly the Chief Deputy Attorney General of North Carolina. Richard noted that not only is Eddie a worthy opponent, but he is also an excellent attorney and really a very fine lawyer to work with. The OAH hearing is currently scheduled for late August, during the week of 8/26. TracFone indicated in its pre-hearing statement that it would be ready any time after July 1.

TracFone's pre-hearing statement indicates that they believe this is a simple issue of statutory construction. Richard noted that if you read his pre-hearing statement, you will see that he has taken a different view. His view is that, essentially because the FCC order was adopted through the Statute, it is inextricably intertwined with what providers do and what they can be required to do and what things mean. He noted that if any members want to view the attachments, they are welcome to do so.

He added that TracFone has sent some discovery requests that are due "a week from tomorrow," and that the only ones that directly affect the Board are the request that each member be identified by name and position, and the request that "we explain why each of you decided what you did." He noted that the minutes of that meeting should suffice for both answers. He also mentioned that he has sent discovery requests to TracFone, and that they are also public, and that if Board members would like to see them, probably the easiest way would be to make them available through the website.

Richard said that as a matter of general interest, TracFone has filed a civil action in Michigan on the same kind of theory. In Michigan, the equivalent to this Board determined that they were entitled to a refund, but the Attorney General's office took a

different view. There was no written opinion offered by the Attorney General, but Richard has talked with their representative in that office and she did not seem to be very aware of the FCC's role in enhanced 911. But in any event, that suit is progressing. There was a similar matter brought up in West Virginia which is procedurally very complex, but essentially there the Board determined that the statute did not apply to prepaid wireless providers. The Public Utilities Commission, or PUC, there disagreed, saying it does, but an Administrative Law Judge said no, it doesn't. The PUC then said the judge was wrong, and the back and forth continues to this day.

Richard brought up these cases to illustrate that the essential issues are the same in Michigan, in West Virginia, and here, in that TracFone's argument in their petition is essentially that the fee doesn't apply to them because the statute says, "collect on a monthly basis." Since they don't bill, either on a monthly basis or any other basis, they maintain the statute doesn't apply to them.

Vice-Chair Carter expressed the opinion that she is confident in the Board's representation. Belinda Gurkins asked Richard Bradford whether the meeting would have to go into closed session before members could ask any questions, and he replied that was not necessary, that if he felt he could not answer a question in open session, he would simply say so at the time. Belinda then indicated that she would like to go ahead into a closed session, but asked fellow Board members their thoughts first. Joe Durham was reluctant to do so, citing a prior commitment, but also expressing his confidence in Richard Bradford's representation of the Board. Frank Thomason also spoke up, noting that he had expected he would want to go into a closed session, but now felt that Richard Bradford had things well under control. Vice-Chair Carter told Belinda not to hesitate to ask a question if she wanted to, but she said she was okay with it as long as Richard Bradford would keep Board members updated on a go-forward basis, so that they wouldn't get blind sided. She also asked if they should expect to be contacted by anybody about this, and Richard replied that he didn't believe so.

He explained that both he and Eddie Speas feel that this is a matter that can be resolved on cross motions for summary judgment, meaning that they think these are questions of law. Neither of them expects there will be a hearing with live testimony, any depositions, or any of that. Secondly, the statute provides that some information received from providers is considered proprietary. Richard has talked with Eddie about that, and he agreed completely that if that information appears to be relevant, then we will enter into an appropriate protective order so that the information will not be disclosed. Belinda indicated that those answers satisfied her questions, and that she was agreeable to forgoing a closed session.

Joe Durham moved to accept Richard Bradford's report on the TracFone litigation. Robert Cherry seconded, and the motion carried.

#### **Committee Report on request from Wilson County Communications to fund a back-up 911 Center**

Joe Durham referred Board members to the Back-Up PSAP Sub-Committee Report and Recommendation in their agenda packets. He reviewed the background of the issue,

and stated that he felt all sub-committee members recognized the need for back-up PSAPs, but that we lack adequate policies and procedures in order to approve funding with wireless 911 funds. To that end, the committee crafted this recommendation.

Vice-Chair Carter observed that it appears two things need to be decided, the first being acceptance or rejection of the recommendation and the second being an answer to Wilson County's request. Richard Taylor said that whatever the Board's action on the recommendation was today, that would be his reply to Wilson County. Vice-Chair Carter then asked if he meant that as long as they met the requirements of the recommendation, assuming it is adopted, then no further action would be necessary at Board level. Richard replied "yes," that from that point forward it would be a staff issue, not a Board issue.

Frank Thomason, commenting on behalf of NC APCO and NENA, said that the need for back-up PSAPs is a very valid need, and that it should be positively considered by this Board because one of our primary charges is to ensure that proper provisioning for reliable wireless 911 services to citizens is in place. To that end, he urged Board members to vote for the recommendation.

Vice-Chair Carter called for a vote on the recommendation, and it carried unanimously.

### **Status of Phase I and Phase II Wireless 911 in North Carolina**

Ron Adams reiterated that while all counties in the State have Phase I capability with at least some providers serving their jurisdictions, if not all, several providers are building out their physical networks, so new requests for Phase I still surface with some regularity.

He reported that since the last meeting Richard Taylor had asked him to contact all the Primary PSAPs that have not yet requested Phase II service to find out where they were in the process. He has done that, and the spread sheet in the agenda packet contains his findings. He reported that in many instances the PSAP was ready, but the personnel either didn't understand how to proceed with the Phase II requests or didn't realize they needed to initiate them. Several are now in the process of doing that.

Belinda Gurkins asked Ron if he could sort the North Carolina Phase II Request report alphabetically by PSAP name, as she has difficulty finding information from that table for PSAPs when they request it. Ron replied that the table is sorted by date of request, not PSAP name, but that he would be happy to provide her with a soft copy whenever he does an update so that she can use the Microsoft Word search tool to rapidly locate what she's seeking.

### **Executive Director's Field Report**

Richard Taylor reported that all the funding seminars have now been completed, but added that he is contemplating offering a couple of "make-up" sessions, possibly one in the eastern and one in the western parts of the State. He feels that the sessions have had a positive impact, although audit reports indicating improper use are still common. He said he has gotten good feedback, citing a comment from the County Manager in

Beaufort County who said that if this had been done in 1989, when the whole process started, many of the problems and confusion we now face could have been prevented.

Richard said he was optimistic that possibly half of the 20 PSAPs that are not yet Phase II will be within the next six months, but added that local funding still continues to be a problem for some. He mentioned that while attending the Working Group for Roads and Transportation meeting for NCGICC, GIS representatives from one county said that they don't receive any Wireless 911 money toward funding GIS. He found that interesting because the very same county had just submitted its annual audit of Wireless 911 expenditures in which it claimed significant expenditures for GIS. He noted that it is but one illustration of an all too common disconnect between departments within local government entities.

Richard touched on several other points in his report, including speaking at a conference for the NC Division of Services for the Deaf and Hard of Hearing and serving as a panelist at the E911 Caucus Roundtable on Capitol Hill in Washington DC. He mentioned that Halifax County is due to open a large entertainment venue soon, locally dubbed the New Dollywood, as well as Turtle Island, which he presumes is some sort of a theme park. The large influx of people these new attractions will draw has gotten the attention of the 911 folks in Halifax, and they asked Richard to help them understand how to move forward to Phase II. He attended their 911 Board meeting earlier in the week to address that.

Richard also announced that North Carolina will be host to a presentation on Next Generation 911 offered by Stephen Meer, who is a co-founder and CTO of Intrado. The presentation was initially intended to draw from NC, SC, and TN, but TN decided it wanted to host one on its own. It is not a sales pitch by Intrado, but instead is purely an educational session. Board Members will receive invitations to the presentation on June 22<sup>nd</sup>, although no final decision has been made on the venue as of this date. Many other people from across the State will be in attendance, e.g. anyone interested in understanding and learning more about NG911. Richard encouraged all Board members to attend if there is any way they can work it into their schedules, noting that Mr. Meer is an excellent presenter and that anyone attending is sure to learn a lot, and adding that it will be a half-day event.

### **Trainer's Field Report**

In the interest of time, Ron Adams quickly summarized his report, noting that he had spent several days in the mountains since the last meeting, and had learned much about the unique characteristics of E911 where Verizon is the LEC. He briefly touched on his training schedule, the training penetration map, and the most recent class evaluations.

### **Administrative Reports**

Leslie Tripp reported that she is still working on the 2005 audits, and at the next meeting she will have a new report for the proposed budget vs. actual budget. She also hopes that by that time she will have distributed the PSAP true-up.

While studying the budget report, Belinda Gurkins asked Richard Taylor if Carteret County had approached him about creating more Primary PSAPs. Richard then told the Board that Carteret has four wireline PSAPs yet only one wireless Primary PSAP, and that they have been contemplating seeking Primary PSAP status for the remaining three. As yet, however, nothing has formally been proposed.

Frank Thomason asked Richard if there were any updates on Burke County, and Richard replied that he is still working with them on the final audit and that he's had a couple of conference calls with them. While he thinks we are almost at the point where we can close that out, he told Frank that they have made many interpretations of acceptable use that have been challenging and have not been easily settled. As an example, they purchased new 911 software, but determined that sending their employees to the vendor's location for training was not cost effective. So they opted to purchase new equipment solely for the employees to train on locally. So the problem becomes what part, if any, of that purchase is acceptable use? What happens to the equipment once the training is complete and it is no longer necessary? These, and many others like them, are questions that have never come up before, questions that add a new dimension to interpretation of acceptable use. Richard said that he has had to go to Richard Bradford for legal interpretations regarding several of these issues, and that solutions have not been easy to come by. Those issues notwithstanding, however, he feels we are nearing a conclusion to the problem.

Leslie Tripp commented that this underscores the difficulties of our audits, and is a good example of why the single audit mentioned earlier in the meeting is not going to be effective. She believes that CPAs are not going to pick up on complicated issues such as these, and offered that acceptable use of wireless 911 funds is not an easy thing to audit.

David Kever asked what the status is with Raleigh-Wake. Leslie said she has contacted them, they have said they would "send it next week," and that was two months ago. Vice-Chair Carter asked who the contact was, and Leslie advised it was David Erwin. Vice-Chair Carter was surprised to hear that a response had not been forthcoming, and Richard Taylor speculated that the 911 audit was probably low on the scale of their priorities at this point in time, when they are focused on developing next year's budget. But, he said, at the same time, this is not something that has just popped up. It's been going on over the course of a year. Vice-Chair Carter suggested that a letter from Richard to the City Manager might be appropriate, and Richard and Leslie replied that they thought a registered letter had been sent quite a while ago. Leslie even noted that one of their accounting people had contacted her asking why they were no longer receiving funds, and Leslie had to explain to her what was going on. Vice-Chair Carter then said that she would place some calls to try to get the process moving.

## **Adjourn**

Vice-Chair Carter asked if there was any other business to come before the Board, and Belinda Gurkins said that as of yesterday, Sprint wireline is now officially Embarq, the fifth largest local telephone company in the country. Vice-Chair Carter then offered to let departing members say a few words. All had kind words to say about their experiences

with the Board, and Vice-Chair Carter said that she felt the group got the stewardship off to a very good start, but also that she felt they were leaving it in good hands. Richard Taylor playfully reminded them that this might not be their last meeting, that they serve until their replacements are named, which may not be prior to the next meeting. Vice-Chair Carter then asked him to be sure to let them know when their replacements are appointed, as she isn't sure anyone else would! She then entertained a motion for adjournment from Robert Cherry, seconded by Belinda Gurkins, and the motion carried.